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Entrepreneurial English Competence and Competitiveness in Micro and Small Enterprises: A Linguistic Resource Conversion Perspective

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Abstract

Digitalization has expanded market connectivity for micro and small enterprises (MSEs), but access to geographically dispersed markets does not necessarily translate into competitive economic outcomes. A critical theoretical gap concerns how entrepreneur-held English communication competence becomes a venture-level capability capable of converting market possibilities into economic value. Addressing this gap, the article develops Entrepreneurial Linguistic Resource Conversion Theory (ELRCT), a middle-range explanation of linguistic resource conversion in owner-dependent MSEs. The theory integrates language-sensitive international business research, resource-based and dynamic capability perspectives, market-facing capability reasoning, and opportunity research to specify a conditional cross-level conversion mechanism. ELRCT conceptualizes Entrepreneurial English Communication Competence as a situated entrepreneurial resource that contributes to Market Interface Capability, which facilitates Opportunity Conversion and subsequently Entrepreneurial Competitiveness. Digital Market Embeddedness and Cross-Border Market Exposure delimit the strength of these conversion processes. By replacing direct proficiency–performance reasoning with a resource-capability-realization logic, ELRCT clarifies the linguistic microfoundations of market-facing capability and provides testable propositions for examining when linguistic resources acquire competitive economic value in MSEs.

Keywords

entrepreneurial english communication competence; linguistic resource conversion; market interface capability; opportunity conversion; entrepreneurial competitiveness; micro and small enterprises

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1. Introduction

Digitalization has expanded the market reach of micro and small enterprises (MSEs) by lowering geographic and technological barriers to interaction with customers, suppliers, intermediaries, and business partners. E-commerce platforms, social media, and digitally mediated business networks provide resource-constrained firms with forms of market connectivity previously associated with larger organizations. Access, however, does not necessarily constitute effective market participation. Firms may become visible to geographically dispersed customers while remaining constrained in their ability to interpret inquiries, articulate product value, establish credibility, negotiate terms, or sustain relationships across linguistic and cultural boundaries. Research on SME internationalization similarly indicates that digital connectivity creates market opportunities whose realization depends on complementary communication and organizational capabilities (Fraccastoro *et al.*, 2021; Tolstoy *et al.*, 2021; Hu *et al.*, 2024; Zhang *et al.*, 2025).

Language constitutes one potential source of such capability. Economic research has established that linguistic accessibility can reduce communication frictions and facilitate cross-border exchange. English as a lingua franca has been associated with international trade (Ku & Zussman, 2010), while meta-analytic and subsequent evidence identifies systematic relationships between linguistic proximity and bilateral trade (Egger & Lassmann, 2012; Melitz & Toubal, 2014). More recent evidence indicates that English proficiency can support international trade by reducing communication-related transaction frictions and facilitating access to wider markets, although its effects remain context dependent (Strango *et al.*, 2025). These findings establish the economic relevance of language but leave unresolved a more specific organizational question: how does linguistic competence acquire competitive value within resource-constrained enterprises?

Language-sensitive international business research provides part of the explanation. Language affects knowledge exchange, trust formation, participation, and interaction across organizational and national boundaries (Brannen *et al.*, 2014; Tenzer *et al.*, 2014; Karhunen *et al.*, 2018; Barner-Rasmussen *et al.*, 2024). Business English as a Lingua Franca research further demonstrates that effective commercial communication cannot be reduced to grammatical accuracy or standardized proficiency. Business knowledge, communicative clarity, pragmatic adaptation, and the ability to accomplish interactional purposes are central to communicative effectiveness (Kankaanranta & Planken, 2010; Kaur & Birlik, 2021). The economically relevant form of linguistic competence is therefore not simply knowledge of English, but the capacity to deploy that knowledge in commercially consequential situations.

This distinction is particularly important for MSEs because owner-managers frequently constitute the primary interface between the venture and its external market environment. They may personally respond to customer inquiries, communicate product attributes, manage digital content, cultivate business relationships, and negotiate transactions. Linguistic resources can consequently influence the scope and quality of external interaction more directly than in organizations where communication activities are distributed across specialized personnel. Research on international small firms confirms that language choices have strategic implications under conditions of limited organizational resources (Talukder & Barner-Rasmussen, 2024). Tibrewal *et al.* (2024) advance this literature through Language Operative Capacity (LOC), which explains how SMEs organize and deploy language resources productively. LOC establishes language as an organizationally deployable resource, but leaves further scope to explain how entrepreneur-held English competence is converted through external market-facing processes into realized economic value.

This unresolved conversion process constitutes the central theoretical problem addressed in this paper. Language research explains why linguistic resources matter for business interaction, whereas SME internationalization research identifies market knowledge, networks, marketing capabilities, digital communication, and channel decisions as antecedents of international outcomes (Bodlaj & Čater, 2022; Martín Martín *et al.*, 2022; Hultman *et al.*, 2023). These streams provide limited explanation of how an entrepreneur-level linguistic resource becomes a venture-level market capability. More specifically, the literature does not sufficiently account for the mechanisms through which English communication competence enables MSEs to interpret market signals, articulate value, engage external actors, and progress commercially promising interactions toward economic exchange.

Resource and capability perspectives sharpen this problem. The resource-based view establishes that heterogeneous resources can possess strategic value, while dynamic capability research emphasizes that resources generate outcomes through processes of deployment, integration, and reconfiguration rather than through possession alone (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Barney *et al.*, 2001; Teece, 2007). Market-capability research similarly locates competitive value in processes that connect organizational resources with customers and external markets (Day, 1994). Recent SME studies reinforce this mechanism-based logic: foreign-market knowledge, entrepreneurial orientations, digital resources, and marketing capabilities often influence performance through intervening processes involving market selection, networks, learning, and capability deployment (Gkypali *et al.*, 2021; Martín Martín *et al.*, 2022; Tolstoy *et al.*, 2022; Donbesuur *et al.*, 2023). Applied to language, these perspectives imply that linguistic competence should not be expected to produce competitiveness directly. Its economic value depends on the processes through which communicative potential becomes market-facing action.

To specify this process, the paper conceptualizes Entrepreneurial English Communication Competence (EECC) as the entrepreneur's situated capacity to deploy English strategically in commercially consequential interactions, encompassing business interaction, digital market communication, product value articulation, cross-cultural communication, and negotiation. EECC is treated as a latent entrepreneurial resource rather than a competitive capability in itself. The paper then introduces Market Interface Capability (MIC) as the venture-level capacity through which this resource is translated into effective market interpretation, value articulation, relational engagement, and transactional interaction. MIC provides the cross-level mechanism linking individual communicative competence to organizationally consequential market action.

The proposed explanation further distinguishes market interaction from economic realization. Access to customers or recognition of opportunities does not ensure their conversion into transactions or sustained market relationships. Opportunity Conversion therefore captures the process through which accessible or recognized market possibilities become commercially realizable exchanges. Repeated effectiveness in this process contributes to Entrepreneurial Competitiveness, defined as an MSE's relative capacity to secure, retain, and exploit economically valuable market opportunities under resource constraints. The resulting explanation locates competitive value in a sequential process involving linguistic resource possession, market-interface capability formation, opportunity conversion, and competitive realization.

Building on this logic, the paper develops Entrepreneurial Linguistic Resource Conversion Theory (ELRCT) as a middle-range explanation of how and under what conditions linguistic resources acquire competitive economic value in MSEs. ELRCT contributes to language-sensitive international business research by specifying the external economic conversion of entrepreneur-held linguistic resources; to resource and capability theory by identifying the market-interface mechanism through which an individual resource becomes a venture-level capability; and to SME competitiveness research by distinguishing market accessibility from opportunity realization. The paper accordingly seeks to explain how Entrepreneurial English Communication Competence is converted into Market Interface Capability, how this capability facilitates Opportunity Conversion, and how the resulting process contributes to Entrepreneurial Competitiveness under varying levels of Digital Market Embeddedness and Cross-Border Market Exposure.

2. Theoretical Foundations

2.1 Linguistic Resources and Economically Consequential Communication

The economic relevance of language derives from its role in enabling exchange across linguistic boundaries. International trade research consistently indicates that linguistic accessibility reduces communication frictions and facilitates transactions between geographically dispersed actors. English as a lingua franca can support bilateral trade by providing a shared medium of exchange (Ku & Zussman, 2010), while meta-analytic evidence confirms a systematic positive association between common language and international trade (Egger & Lassmann, 2012). Melitz and Toubal (2014) further demonstrate that linguistic effects operate through distinct channels, including spoken communication and translation. Recent evidence similarly associates English proficiency with international trade, reinforcing the economic significance of linguistic accessibility while indicating that its effects depend on contextual conditions (Strango *et al.*, 2025). These studies establish language as economically consequential but primarily explain variation in exchange at aggregate levels rather than the firm-level processes through which linguistic resources acquire competitive value.

Language-sensitive international business research provides a more organizationally situated account. Language shapes participation, knowledge exchange, trust, and interaction among actors operating across linguistic boundaries (Brannen *et al.*, 2014; Tenzer *et al.*, 2014; Karhunen *et al.*, 2018). Language ideologies can also enable or constrain participation in international business settings, suggesting that access to a common language does not ensure equivalent capacity to engage through it (Barner-Rasmussen *et al.*, 2024). Business English as a Lingua Franca research reinforces this distinction. Effective business communication depends on business knowledge and communicative accomplishment rather than linguistic accuracy alone (Kankaanranta & Planken, 2010), while pragmatic strategies contribute to communicative effectiveness in business interaction (Kaur & Birlik, 2021). The relevant resource is consequently not proficiency in isolation, but the capacity to mobilize linguistic knowledge for specific commercial purposes.

For small firms, this distinction raises an organizational conversion problem. International small firms make strategic choices between English and multilingual communication under resource constraints (Talukder & Barner-Rasmussen, 2024), while Tibrewal *et al.* (2024) conceptualize Language Operative Capacity (LOC) as the organizational capacity to deploy language resources productively. LOC provides an important shift from language possession to language deployment. However, the construct operates at the SME level and encompasses language resources more broadly. It does not fully specify how English competence located in an entrepreneur becomes an externally oriented capability through which the venture interacts with markets. This unresolved cross-level process motivates a more specific conceptualization of linguistic resource conversion.

2.2 Resource Conversion and Capability Formation

The resource-based view provides the first theoretical basis for conceptualizing linguistic competence as a potential source of economic value. Resource heterogeneity can generate competitive differences when firms possess and effectively exploit strategically valuable resources (Barney *et al.*, 2001). English communication competence may therefore constitute an intangible entrepreneurial resource by expanding the range of market actors with whom an entrepreneur can potentially interact. Resource possession, however, cannot explain why comparable linguistic competence produces different economic consequences across firms. An entrepreneur may communicate proficiently in English while remaining ineffective at interpreting customer requirements, communicating differentiation, developing relationships, or negotiating transactions. Linguistic competence can therefore exist without becoming a competitive capability.

Dynamic capability theory addresses this limitation by locating economic value in the processes through which resources are mobilized and transformed. Teece *et al.* (1997) conceptualize dynamic capabilities as the capacity to integrate, build, and reconfigure competencies, while Eisenhardt and Martin (2000) emphasize identifiable organizational processes through which resources are combined and deployed. Teece (2007) further develops the microfoundational logic of sensing, seizing, and reconfiguring, linking entrepreneurial cognition and action with organizational adaptation. Across these formulations, the central implication is that resource possession and capability formation constitute analytically distinct stages of value creation.

Evidence from SMEs supports this distinction. Market orientation influences export venture performance through marketing capabilities rather than functioning solely as a direct performance antecedent (Bodlaj & Čater, 2022). Foreign-market knowledge similarly contributes to international performance through international market selection and network capability (Martín Martín *et al.*, 2022), while the performance implications of dynamic marketing capabilities depend on their configuration and strategic fit (Hoque *et al.*, 2022). At the managerial level, dynamic managerial capabilities can influence SME international outcomes through intervening organizational mechanisms such as business model innovation (Merín-Rodrigáñez *et al.*, 2025). These findings support a conversion logic in which resources and individual-level competencies acquire economic significance through capabilities that organize their deployment.

This logic is necessary but insufficient for explaining linguistic resources in MSEs. Dynamic capability theory specifies why transformation processes matter but remains deliberately general regarding the content of those processes. It does not identify how entrepreneur-held linguistic competence becomes embedded in recurring external market activities. The unresolved issue is therefore one of capability formation across levels: the theoretical explanation must identify the venture-level mechanism through which an individual communicative resource becomes an economically consequential capacity for market interaction.

2.3 Market Interface and Opportunity Conversion

Market-facing capability research clarifies the external domain in which linguistic resource conversion occurs. Day (1994) identifies market sensing and customer linking as capabilities that connect firms with their environments by enabling the interpretation of market information and the development of customer relationships. This distinction is particularly important for MSEs because market access is not equivalent to market-interface capability. Access denotes the possibility of reaching external actors; an effective interface requires the capacity to interpret those actors, communicate value, develop relationships, and progress interactions toward exchange.

Digitalization has widened this distinction. Digital platforms and communication technologies expand the number, diversity, and geographic dispersion of potential interactions available to small firms, but their economic value remains contingent on complementary capabilities. International SMEs combine social media, digital, and conventional communication tools differently across stages of the B2B sales process, including prospect engagement and persuasion (Fraccastoro *et al.*, 2021). The development of international e-commerce likewise requires entrepreneurial processes that allow SMEs to exploit digital market possibilities rather than merely establish an online presence (Tolstoy *et al.*, 2021). Online marketing capabilities influence international performance through intervening mechanisms (Tolstoy *et al.*, 2022), while social-media communication practices contribute to export outcomes through how firms engage with external markets (Hultman *et al.*, 2023). Digital-platform internationalization further depends on knowledge sharing and consumer education (Hu *et al.*, 2024). Digital connectivity therefore increases potential market access without eliminating the capability requirements associated with effective market interaction.

A parallel distinction applies to entrepreneurial opportunities. Market exposure may provide access to opportunities, and information acquisition may support their recognition, but neither necessarily results in economic realization. External knowledge search contributes to opportunity recognition in SMEs (Ricci *et al.*, 2021), while export channel choices influence the performance implications of entrepreneurial orientation (Kalinic & Brouthers, 2022). International opportunity recognition also operates alongside learning processes in explaining export intensity among entrepreneurial firms (Donbesuur *et al.*, 2023). These findings indicate that the economic value of an opportunity depends on the firm's capacity to progress it beyond recognition.

This paper captures that progression through Opportunity Conversion, defined as the process through which accessible or recognized market possibilities become commercially realizable exchanges. The construct differs from opportunity recognition because it concerns realization rather than identification. It also differs from performance because it represents the mechanism through which market interaction is transformed into economically consequential action. Linguistic resources become relevant to competitiveness within this process only when they support the market-facing activities required to interpret, communicate, engage, and transact.

2.4 Theoretical Integration and Explanatory Limits

The three theoretical streams converge on the importance of resources, deployment, and external interaction but leave the central conversion mechanism fragmented. Language-sensitive international business and BELF research explain why linguistic resources affect communication, participation, trust, and business interaction, but provide limited explanation of how entrepreneur-held competence becomes a venture-level market capability (Brannen *et al.*, 2014; Karhunen *et al.*, 2018; Tibrewal *et al.*, 2024). Resource-based and dynamic capability perspectives explain why resource possession must be distinguished from capability deployment, but do not specify the linguistic content of the market-facing processes through which this conversion occurs (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Teece, 2007). Market-capability and SME internationalization research explain how firms sense markets, connect with customers, develop networks, and exploit digital channels, while leaving the linguistic microfoundations of these processes comparatively underspecified (Day, 1994; Martín Martín *et al.*, 2022; Hultman *et al.*, 2023).

Comparing these perspectives reveals complementary explanatory strengths alongside distinct limitations, particularly in accounting for how entrepreneur-held linguistic resources become venture-level market capabilities and subsequently contribute to economically consequential opportunity realization processes.

Table 1. Theoretical Foundations and Explanatory Limits of Linguistic Resource Conversion

Theoretical perspective	Core explanatory contribution	Limit for the focal problem	ELRCT specification
Language-sensitive IB and BELF	Explains situated language use, participation, trust, and business interaction	Limited account of how individual linguistic competence becomes venture capability	EECC as a situated entrepreneurial linguistic resource

Theoretical perspective	Core explanatory contribution	Limit for the focal problem	ELRCT specification
Resource-based and dynamic capability perspectives	Explain resource value, deployment, and capability formation	Do not specify the linguistic mechanism of market-facing capability formation	Cross-level linguistic resource conversion
Market-facing capability perspective	Explains market sensing, customer linking, and external interaction	Linguistic microfoundations of market interaction remain underspecified	MIC as the venture-level conversion mechanism
Opportunity perspective	Distinguishes opportunity recognition from subsequent entrepreneurial action	Limited explanation of linguistic antecedents of commercial realization	Opportunity Conversion as the realization mechanism

Source: Authors' conceptualization based on the theoretical synthesis presented in this study.

Table 1 shows that no single perspective explains the complete conversion process. Language research identifies communicative resources, capability perspectives explain resource deployment, market-facing research specifies external interaction, and opportunity research addresses entrepreneurial realization. ELRCT connects these explanatory components by specifying EECC, cross-level capability formation through MIC, and Opportunity Conversion as distinct stages through which linguistic resources can acquire competitive economic value.

The integration identifies a specific explanatory problem rather than an absence of evidence. Existing scholarship establishes that language can affect economic exchange, that entrepreneurial and organizational resources require deployment, and that market-facing capabilities shape SME outcomes. What remains insufficiently specified is the mechanism connecting these insights: how entrepreneur-held English communication competence becomes a venture-level capacity for effective market interaction, and how that capacity facilitates the realization of market opportunities. A direct association between English proficiency and performance cannot resolve this problem because it collapses resource possession, capability formation, and economic realization into a single relationship.

These complementary perspectives illuminate distinct stages of economic value creation but remain theoretically fragmented, requiring integration around the unresolved mechanism through which linguistic resources become commercially consequential market capabilities.

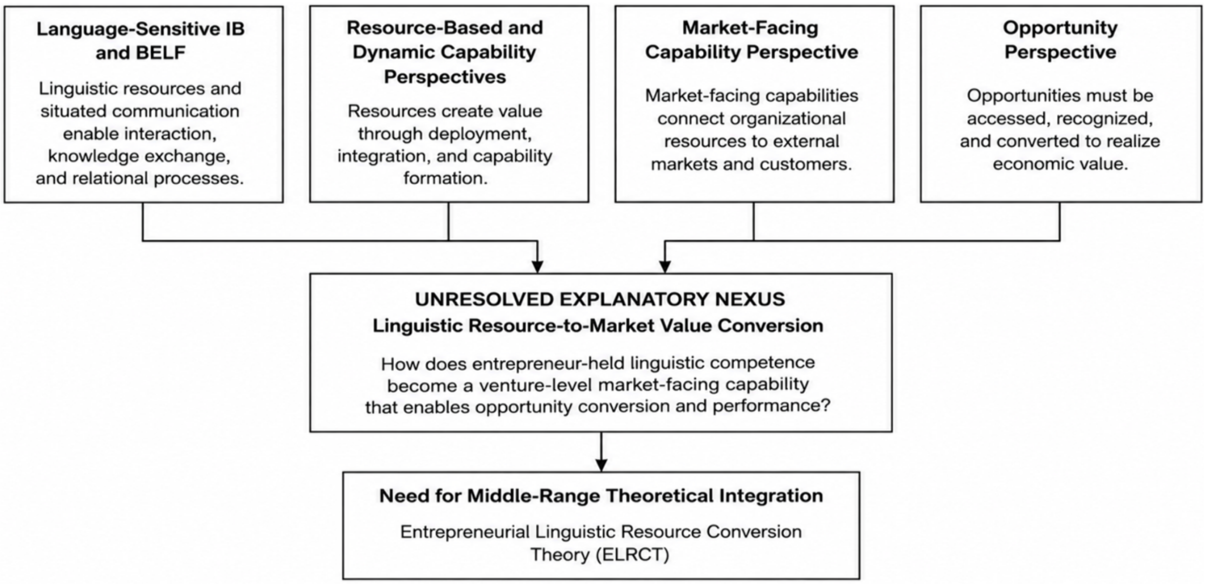

Figure 1. Theoretical Integration Underlying Linguistic Resource Conversion
Source: Authors' conceptualization.

Figure 1 demonstrates that existing perspectives explain complementary elements of linguistic resource value but do not specify their cross-level integration. ELRCT addresses this discontinuity by connecting situated linguistic resources, resource deployment, market-facing capability formation, and opportunity realization within a unified conversion logic. This integration establishes the theoretical basis for explaining how entrepreneur-held communication competence can acquire venture-level economic significance in MSEs.

Entrepreneurial Linguistic Resource Conversion Theory (ELRCT) addresses this explanatory discontinuity by treating these elements as analytically distinct but causally connected. Entrepreneurial English Communication Competence represents the linguistic resource at the individual level; Market Interface Capability captures its organizational manifestation in external market interaction; Opportunity Conversion specifies the process of economic realization; and Entrepreneurial Competitiveness represents the resulting venture-level capacity to secure and exploit valuable market opportunities. This integration provides the theoretical foundation for specifying the domain and causal architecture of ELRCT in the following sections.

3. Domain Specification

Entrepreneurial Linguistic Resource Conversion Theory (ELRCT) explains linguistic resource conversion in micro and small enterprises (MSEs): the process through which entrepreneur-held English communication competence acquires organizational significance through external market interaction and contributes to competitive economic outcomes. The theory does not attribute competitive value to English proficiency itself. Linguistic competence is treated as a latent entrepreneurial resource whose economic value depends on its deployment in commercially consequential activities. This premise aligns with evidence that linguistic accessibility can facilitate economic exchange, while resource and capability perspectives indicate that resources generate outcomes through processes that mobilize them for productive purposes (Ku & Zussman, 2010; Teece, 2007; Martín Martín *et al.*, 2022; Tibrewal *et al.*, 2024).

ELRCT spans two analytically distinct levels. At the individual level, the focal actor is the owner-manager or entrepreneur, and the relevant resource is Entrepreneurial English Communication Competence (EECC): the situated capacity to use English strategically in business interaction, digital market communication, product value articulation, cross-cultural communication, and negotiation. At the venture level, the central construct is Market Interface Capability (MIC), which captures the MSE's capacity to deploy entrepreneur-held communicative resources in market interpretation, value articulation, relational engagement, and transactional interaction. Maintaining this distinction prevents individual competence from being conflated with organizational capability. Capability research similarly indicates that individual or firm-level resources become economically consequential through intervening organizational processes rather than through possession alone (Eisenhardt & Martin, 2000; Tolstoy *et al.*, 2022; Merín-Rodrigáñez *et al.*, 2025).

The theory is bounded organizationally to owner-managed MSEs in which entrepreneurs retain substantial responsibility for external market interaction. Its explanatory relevance is expected to be greatest for digitally connected, internationally exposed, export-oriented, or export-aspiring firms whose owner-managers communicate directly with customers, suppliers, intermediaries, platform participants, or business partners across linguistic boundaries. Digital technologies can broaden the set of accessible market actors, but effective participation remains dependent on complementary communication, knowledge-sharing, and market-facing capabilities (Fraccastoro *et al.*, 2021; Hultman *et al.*, 2023; Hu *et al.*, 2024; Zhang *et al.*, 2025). ELRCT therefore applies where English functions as a commercially relevant interface language, rather than presuming uniform economic value across markets.

The theory has correspondingly defined exclusions. Its explanatory power is expected to weaken in large organizations where external communication is distributed across specialized personnel or formal language-management systems, and in MSEs where owner-managers have limited involvement in market-facing activities. It is also less applicable to linguistically homogeneous domestic markets in which English provides little additional capacity for commercially relevant interaction. ELRCT does not assume that English is inherently superior to multilingual strategies; international small firms may benefit differently from English-only and multilingual configurations depending on stakeholder diversity and available linguistic resources (Talukder & Barner-Rasmussen, 2024). AI-enabled translation may also alter the extent to which entrepreneur-held English competence remains necessary for particular market interactions, establishing a potential technological boundary rather than invalidating the underlying conversion logic.

Within these boundaries, ELRCT rests on four assumptions. First, English must provide access to commercially relevant interactions that would otherwise be unavailable, constrained, or more costly. Second, access alone is insufficient because contact with market actors must support effective interpretation, value articulation, relational engagement, and transactional interaction. Third, EECC becomes organizationally consequential only when its deployment contributes to MIC rather than remaining an individual linguistic attribute. Fourth, competitive value depends on converting accessible or recognized market possibilities into realizable economic exchanges rather than on exposure or opportunity recognition alone. The proposed conversion mechanism should therefore become more consequential under Digital Market Embeddedness, which increases reliance on digitally mediated external interaction, and Cross-Border Market Exposure, which increases linguistic and cultural heterogeneity. These scope conditions delimit where ELRCT is expected to provide its strongest explanation of linguistic resource conversion and entrepreneurial competitiveness.

4. Theory Building and Proposed Middle-Range Theory

4.1 Entrepreneurial English Communication Competence

The explanatory sequence of ELRCT begins with Entrepreneurial English Communication Competence (EECC), defined as an entrepreneur's situated capacity to deploy English strategically in commercially consequential interactions with external market actors. EECC is distinct from general English proficiency. Proficiency denotes command of a language, whereas EECC concerns the purposeful application of linguistic knowledge to entrepreneurial tasks. Research on Business English as a Lingua Franca supports this distinction by locating communicative effectiveness in business knowledge, contextual appropriateness, pragmatic adjustment, and the accomplishment of interactional objectives rather than linguistic accuracy alone (Kankaanranta & Planken, 2010; Kaur & Birlik, 2021). Language-sensitive international business research similarly demonstrates that the consequences of language depend on how it structures participation and interaction across linguistic boundaries (Barner-Rasmussen *et al.*, 2024; Talukder & Barner-Rasmussen, 2024).

EECC comprises five functionally differentiated dimensions. Business Interaction Communication concerns the management of inquiries, correspondence, meetings, and routine commercial exchanges. Digital Market Communication captures communication through social media, marketplaces, websites, messaging applications, and related digital interfaces. Product Value Articulation refers to the capacity to express product attributes, benefits, differentiation, and value propositions in terms intelligible to prospective customers. Cross-Cultural Communicationconcerns adaptation of messages and interactional practices to culturally heterogeneous market actors. Negotiation Communication encompasses clarification, persuasion, management of ambiguity, negotiation of terms, and progression toward agreement. These dimensions represent distinct commercial uses of linguistic competence rather than independent language skills, consistent with evidence that communication practices perform different functions across market engagement, persuasion, and cross-cultural interaction (Fraccastoro *et al.*, 2021; Chatterjee *et al.*, 2022; Hultman *et al.*, 2023).

EECC also requires differentiation from Language Operative Capacity (LOC). LOC captures an SME-level capacity to organize and deploy language resources productively (Tibrewal *et al.*, 2024). EECC is located at the entrepreneur level and is restricted to situated English communication in market-relevant activities. The distinction is theoretically consequential: ELRCT does not treat individual competence as organizational capability but seeks to explain the process through which the former contributes to the latter.

Conceptual precision requires distinguishing the theory's core constructs by analytical level, substantive content, and theoretical boundary, particularly where individual linguistic competence, venture capability, opportunity realization, and competitiveness could otherwise overlap conceptually.

Table 2. Core Constructs and Conceptual Boundaries of ELRCT

Core construct	Definition	Level and core content	Conceptual boundary
Entrepreneurial English Communication Competence (EECC)	Situated capacity to deploy English strategically in commercially consequential interactions	Entrepreneur: business interaction; digital market communication; product value articulation; cross-cultural communication; negotiation	Distinct from general English proficiency and firm-level Language Operative Capacity
Market Interface Capability (MIC)	Venture capacity to deploy communicative resources in effective external market interaction	Venture: market interpretation; value articulation; relational engagement; transactional interaction	Distinct from market access and generic marketing capability
Opportunity Conversion	Process through which accessible or recognized market possibilities become commercially realizable exchanges	Venture process: qualification; engagement; matching; advancement; realization	Distinct from opportunity access, recognition, and final performance
Entrepreneurial Competitiveness	Relative capacity to secure, retain, and repeatedly exploit economically valuable market opportunities under resource constraints	Venture outcome: market reach; acquisition; responsiveness; differentiation; retention	Distinct from individual transactions, short-term sales, and export performance

Source: Authors' conceptualization.

Table 2 establishes the construct architecture of ELRCT while preventing conceptual conflation across analytical levels. EECC represents entrepreneur-held communicative potential, whereas MIC captures its venture-level organizational manifestation. Opportunity Conversion specifies the realization process rather than opportunity recognition or performance, and Entrepreneurial Competitiveness represents the resulting venture-level competitive capacity. These distinctions provide the conceptual precision required for subsequent mechanism and proposition development in ELRCT.

4.2 Market Interface Capability as a Cross-Level Conversion Mechanism

EECC constitutes communicative potential rather than venture capability. An entrepreneur may possess commercially relevant English competence while the enterprise remains ineffective in interpreting market signals, articulating customer value, sustaining relationships, or advancing interactions toward exchange. Resource and dynamic capability perspectives provide the theoretical basis for this distinction: resources become economically consequential through organizational processes that deploy and integrate them rather than through possession alone (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Teece, 2007). ELRCT specifies this conversion through Market Interface Capability (MIC).

MIC is defined as an MSE's capacity to deploy entrepreneur-held communicative resources in effective external market interaction through four interrelated processes. Market interpretation concerns understanding customer inquiries, preferences, objections, and other market signals. Value articulation translates product knowledge into market-relevant benefits and differentiation. Relational engagement supports responsive, credible, and contextually appropriate interaction with external actors. Transactional interaction enables communication to progress through clarification and negotiation toward commercial commitment. MIC extends market-facing capability reasoning (Day, 1994) by identifying entrepreneur-held communication competence as a microfoundation of external market interaction in owner-dependent MSEs.

The conversion mechanism is cross-level. EECC increases the entrepreneur's capacity to understand, formulate, adapt, and negotiate commercially relevant messages. When repeatedly deployed in venture activities, these capacities support more systematic performance of market-facing processes. Research on international SMEs shows that communication tools perform differentiated roles across prospect engagement, persuasion, and customer interaction (Fraccastoro *et al.*, 2021), while foreign-market resources contribute to international outcomes through intervening network and market capabilities (Martín Martín *et al.*, 2022). MIC therefore captures the organizational manifestation of communicative resources rather than a direct effect of English competence on performance.

The central conversion mechanism operates across analytical levels, as entrepreneur-held communicative competence becomes organizationally consequential through its repeated deployment in commercially relevant, externally oriented, market-facing activities within the venture.

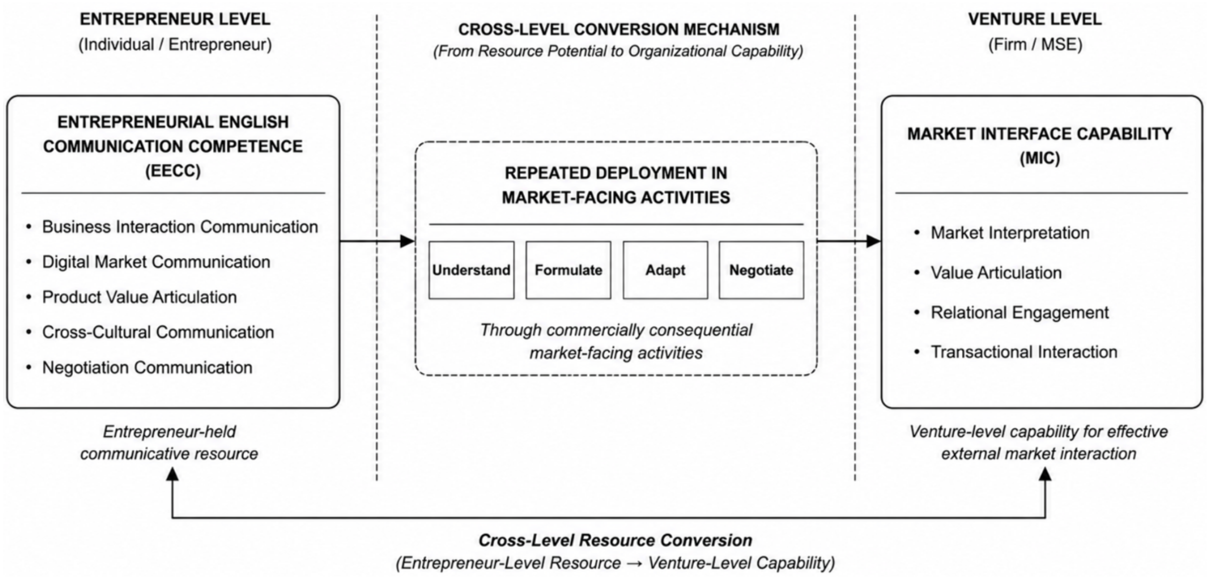

Figure 2. Cross-Level Linguistic Resource Conversion Mechanism
Source: Authors' conceptualization.

Figure 2 isolates the cross-level mechanism central to ELRCT. EECC remains an entrepreneur-level resource until its repeated deployment in market-facing activities supports recurring organizational processes. Through this conversion, communicative capacities for understanding, formulation, adaptation, and negotiation become embedded in market interpretation, value articulation, relational engagement, and transactional interaction, thereby constituting Market Interface Capability at the venture level within MSEs.

Proposition 1.
Entrepreneurial English Communication Competence positively contributes to the development of Market Interface Capability in micro and small enterprises.

4.3 Market Interface Capability and Opportunity Conversion

Market-interface effectiveness remains analytically distinct from economic realization. Digital platforms, networks, and international contacts can expose an MSE to prospective customers without ensuring that those contacts develop into commercially meaningful exchanges. ELRCT therefore distinguishes opportunity access, opportunity recognition, and Opportunity Conversion. Access denotes exposure to a potential market possibility; recognition involves identifying its commercial relevance; conversion concerns advancing that possibility toward realizable exchange.

Evidence indicates that opportunity-related outcomes extend beyond recognition. External knowledge search facilitates opportunity recognition (Ricci *et al.*, 2021), while export channel selection (Kalinic & Brouthers, 2022), organizational learning (Donbesuur *et al.*, 2023), and market-selection and network mechanisms (Martín Martín *et al.*, 2022) shape subsequent international outcomes. Opportunity recognition or access therefore does not necessarily ensure economic realization.

MIC provides the mechanism through which promising market contact can be advanced toward such realization. Market interpretation allows the venture to assess customer requirements and the viability of an inquiry. Value articulation establishes the relevance of the offering to those requirements. Relational engagement supports credibility and mutual understanding, while transactional interaction facilitates clarification, negotiation, and commitment. MIC therefore reduces informational, relational, and transactional frictions that can prevent accessible opportunities from becoming realizable exchanges.

Proposition 2.
Market Interface Capability positively facilitates Opportunity Conversion by enabling micro and small enterprises to transform accessible or recognized market possibilities into commercially realizable exchanges.

4.4 Opportunity Conversion and Entrepreneurial Competitiveness

ELRCT conceptualizes Entrepreneurial Competitiveness as an MSE's relative capacity to secure, retain, and repeatedly exploit economically valuable market opportunities under resource constraints. This definition treats competitiveness as a venture-level capacity rather than equating it with a single transaction, sales level, or export-performance measure. Its manifestations may include expanded market reach, customer acquisition and retention, responsiveness to market demands, differentiation, and repeated exploitation of valuable opportunities.

The distinction between capability and realized outcomes is particularly important in small firms. Evidence on SMEs differentiates export potential from realized exporting and shows that learning processes influence productivity outcomes associated with export participation (Gkypali *et al.*, 2021). Marketing capabilities contribute to export venture performance through differentiated market-facing processes (Bodlaj & Čater, 2022), while exploration and exploitation have distinct implications for international SME performance (Su *et al.*, 2022).

Recent research further links organizational transformation and managerial capabilities with SME competitiveness and export outcomes through intervening mechanisms rather than simple resource-performance relationships (Meier *et al.*, 2025; Merín-Rodrigáñez *et al.*, 2025).

Within ELRCT, Opportunity Conversion provides the immediate realization mechanism. An MSE capable of repeatedly progressing viable market possibilities into transactions and commercially sustainable relationships is better positioned to acquire and retain economically valuable opportunities than a comparable firm that merely encounters them. Entrepreneurial Competitiveness therefore reflects differential effectiveness in realizing market possibilities under resource constraints rather than opportunity availability alone.

Proposition 3.
Opportunity Conversion positively contributes to Entrepreneurial Competitiveness by enabling micro and small enterprises to transform market possibilities into realized and repeatable economic outcomes.

4.5 Boundary Conditions of Linguistic Resource Conversion

ELRCT does not assume that linguistic resources have uniform economic value. Their consequences depend on conditions that determine both the frequency of linguistically mediated interaction and the difficulty of converting that interaction into exchange. Two boundary conditions are central to this logic: Digital Market Embeddedness and Cross-Border Market Exposure.

Digital Market Embeddedness denotes the extent to which an MSE relies on digital platforms, social media, e-commerce, and related channels for external market interaction. Greater digital embeddedness increases the frequency with which entrepreneurs must communicate through market-facing interfaces and can broaden the geographic range of prospective actors. Research on international SMEs indicates that digital channels support market engagement only in conjunction with complementary communication, marketing, knowledge-sharing, and relational capabilities (Tolstoy *et al.*, 2021, 2022; Hultman *et al.*, 2023; Hu *et al.*, 2024). EECC should consequently contribute more strongly to MIC when digitally mediated communication constitutes a substantial component of the venture's market interface.

Proposition 4.
Digital Market Embeddedness strengthens the positive relationship between Entrepreneurial English Communication Competence and Market Interface Capability because greater reliance on digitally mediated markets increases the frequency and commercial significance of English-enabled external interaction.

Cross-Border Market Exposure denotes the extent to which an MSE interacts with geographically, linguistically, and culturally heterogeneous external actors. Language barriers can impair trust formation, while cultural and linguistic differences shape participation and customer interaction across international settings (Tenzer *et al.*, 2014; Chatterjee *et al.*, 2022; Westjohn *et al.*, 2022; Barner-Rasmussen *et al.*, 2024). Under greater cross-border exposure, interpreting market actors, articulating value appropriately, and managing relational and transactional communication become more consequential for commercial realization. MIC should therefore have stronger implications for Opportunity Conversion as linguistic and cultural heterogeneity increases.

Proposition 5.
Cross-Border Market Exposure strengthens the positive relationship between Market Interface Capability and Opportunity Conversion because linguistic and cultural heterogeneity increases the importance of effective market interaction for commercial realization.

4.6 Entrepreneurial Linguistic Resource Conversion Theory

The preceding relationships constitute Entrepreneurial Linguistic Resource Conversion Theory (ELRCT), a middle-range explanation of how entrepreneur-held English communication competence acquires competitive economic value in MSEs. ELRCT rests on a central distinction between resource potential and economic realization. EECC represents situated communicative potential at the entrepreneur level; MIC represents its organizational manifestation in external market interaction; Opportunity Conversion captures the realization of commercially relevant possibilities; and Entrepreneurial Competitiveness reflects the venture's relative capacity to secure and repeatedly exploit valuable market opportunities.

This architecture departs from a direct language-performance explanation. Linguistic competence does not generate competitiveness merely because it increases an entrepreneur's capacity to communicate. Its economic significance depends on whether that competence becomes embedded in venture-level market processes and whether those processes enable market possibilities to progress toward commercial realization. Digital Market Embeddedness and Cross-Border Market Exposure specify conditions under which particular stages of this conversion process should become more consequential.

ELRCT can therefore be stated formally as follows: Entrepreneurial English Communication Competence contributes to Entrepreneurial Competitiveness when entrepreneur-held communicative resources become embedded in Market Interface Capability, enabling accessible or recognized market opportunities to be converted into realizable economic exchanges. The strength of this conversion process varies with the venture's Digital Market Embeddedness and Cross-Border Market Exposure.

The proposed theory integrates resource potential, capability formation, opportunity realization, and competitive outcomes within a conditional causal architecture that specifies both cross-level conversion and context-dependent variation in economic value creation.

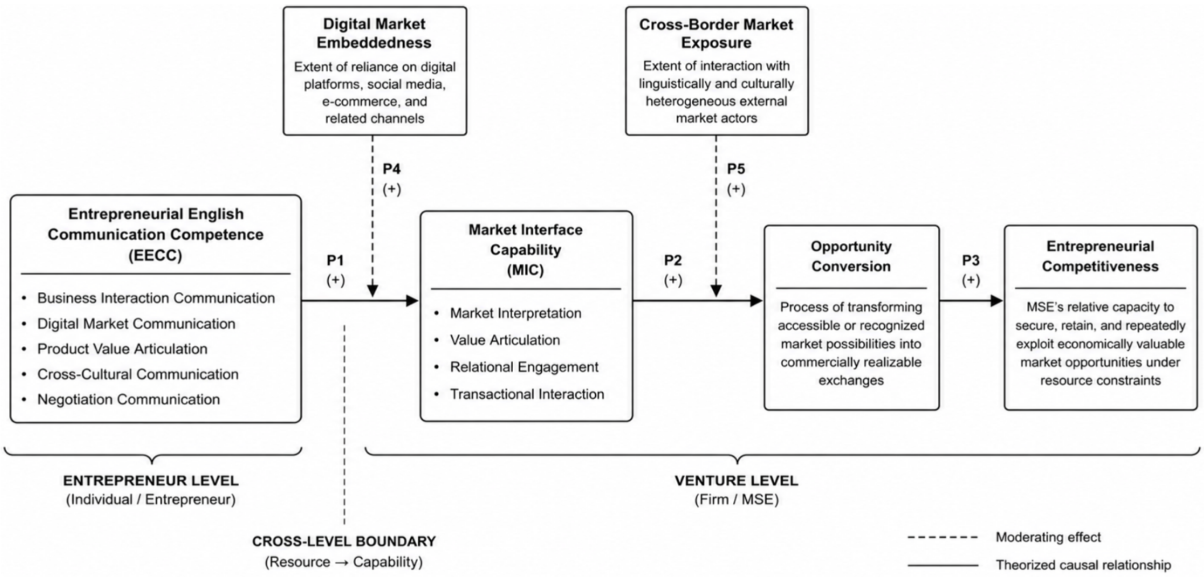

Figure 3. Entrepreneurial Linguistic Resource Conversion Theory (ELRCT)
Source: Authors' conceptualization.

Figure 3 formalizes ELRCT as a conditional sequential conversion model. Entrepreneur-held EECC contributes to venture-level MIC, which facilitates Opportunity Conversion and subsequently Entrepreneurial Competitiveness. Digital Market Embeddedness conditions the conversion of EECC into MIC, whereas Cross-Border Market Exposure conditions the contribution of MIC to Opportunity Conversion. The model therefore distinguishes linguistic resource possession, capability formation, opportunity realization, and competitive outcomes.

Translating this architecture into testable theoretical claims requires specifying the relationship, underlying mechanism, and explanatory role of each proposition, while distinguishing core conversion processes from the conditions governing their relative strength.

Table 3. Se Proposition Architecture of Entrepreneurial Linguistic Resource Conversion Theory

Proposition & Theoretical relationship		Underlying mechanism	Role in ELRCT
P1	EECC positively contributes to MIC	Repeated deployment of communicative competence supports market interpretation, value articulation, relational engagement, and transactional interaction	Cross-level capability formation
P2	MIC positively facilitates Opportunity Conversion	Effective market interaction reduces informational, relational, and transactional frictions that impede commercial realization	Opportunity realization
P3	Opportunity Conversion positively contributes to Entrepreneurial Competitiveness	Repeated realization of valuable market possibilities strengthens the venture's capacity to secure and exploit opportunities	Competitive realization
P4	Digital Market Embeddedness strengthens the EECC–MIC relationship	Digital reliance increases the frequency and commercial significance of English-mediated market interaction	Digital boundary condition
P5	Cross-Border Market Exposure strengthens the MIC–Opportunity Conversion relationship	Linguistic and cultural heterogeneity increases the importance of effective market interaction for commercial realization	Cross-border boundary condition

Source: Authors' conceptualization.

P1 specifies cross-level capability formation, P2 captures opportunity realization, and P3 connects realized opportunities with competitive capacity. P4 and P5 delimit these mechanisms by identifying conditions under which linguistic resources and market-interface capabilities become more consequential. Collectively, the propositions convert ELRCT's conceptual architecture into a coherent, bounded, and empirically testable theoretical system.

Components and draft structure. The model begins with individual-level EECC, comprising Business Interaction Communication, Digital Market Communication, Product Value Articulation, Cross-Cultural Communication, and Negotiation Communication. At the venture level, MIC comprises Market Interpretation, Value Articulation, Relational Engagement, and Transactional Interaction, followed by Opportunity Conversion and Entrepreneurial Competitiveness. Digital Market Embeddedness conditions the EECC–MIC relationship, while Cross-Border Market Exposure conditions the MIC–Opportunity Conversion relationship. A visual boundary distinguishes the individual-to-venture transition.

Contribution to theory building. The model addresses the mechanism omitted by direct language–performance explanations by conceptualizing English competence as a resource converted into venture-level market capability, opportunity realization, and ultimately competitiveness. This causal and conditional architecture establishes ELRCT as a middle-range theory of linguistic resource conversion in MSEs.

5. Discussion

5.1 Theoretical Contributions

ELRCT advances research on language and entrepreneurship by repositioning the theoretical problem from whether English proficiency is associated with economic outcomes to how entrepreneur-held linguistic resources acquire competitive value in MSEs. Existing research establishes that language influences trade, trust, participation, knowledge exchange, and international business interaction (Egger & Lassmann, 2012; Brannen *et al.*, 2014; Tenzer *et al.*, 2014; Karhunen *et al.*, 2018; Strango *et al.*, 2025). Such evidence demonstrates the economic relevance of language but provides a less developed account of the processes connecting individual linguistic competence with venture-level competitiveness. ELRCT addresses this problem by theorizing competitive value as the outcome of linguistic resource conversion rather than linguistic possession.

The first contribution is the conceptualization of Entrepreneurial English Communication Competence (EECC) as a situated entrepreneurial resource. This construct departs from proficiency-centered treatments of English by locating economic relevance in the capacity to perform commercially consequential communication. The distinction is consistent with Business English as a Lingua Franca research, which emphasizes business knowledge, pragmatic effectiveness, and communicative accomplishment rather than linguistic accuracy alone (Kankaanranta & Planken, 2010; Kaur & Birlik, 2021). EECC extends this reasoning into the entrepreneurship domain by specifying the communicative functions through which owner-managers engage markets. English competence consequently becomes theoretically relevant not because it represents greater linguistic knowledge, but because it expands the entrepreneur's capacity to undertake market-facing activities.

The second contribution concerns the resource-capability conversion mechanism. Resource-based and dynamic capability perspectives distinguish resource possession from the organizational processes through which resources acquire economic value (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Barney *et al.*, 2001; Teece, 2007). ELRCT specifies this general logic for entrepreneur-dependent MSEs by introducing Market Interface Capability (MIC). The construct explains how an individual-level communicative resource becomes manifested in venture-level capacities for market interpretation, value articulation, relational engagement, and transactional interaction. This cross-level mechanism provides linguistic microfoundations for market-facing capability and avoids attributing venture outcomes directly to an individual attribute.

The third contribution is the separation of market accessibility from economic realization. Digital technologies can expand the range of customers and markets available to small firms, but connectivity does not establish that market possibilities will be commercially realized (Fraccastoro *et al.*, 2021; Tolstoy *et al.*, 2021, 2022; Hu *et al.*, 2024). ELRCT introduces Opportunity Conversion to identify the intervening process through which accessible or recognized possibilities progress toward realizable exchanges. This distinction complements evidence that opportunity recognition, learning, networks, and channel configurations contribute differently to entrepreneurial outcomes (Ricci *et al.*, 2021; Kalinic & Brouthers, 2022; Donbesuur *et al.*, 2023). Entrepreneurial Competitiveness is consequently explained through differential capacity to realize valuable market possibilities rather than exposure to opportunities alone.

The fourth contribution clarifies ELRCT's relationship with Language Operative Capacity (LOC). Tibrewal *et al.* (2024) conceptualize LOC as an SME-level capacity to organize and deploy language resources productively. ELRCT addresses a narrower but distinct explanatory question concerning the external economic conversion of entrepreneur-held English communication competence. EECC captures situated individual competence, whereas MIC captures the venture-level market capability through which that competence becomes economically actionable. LOC, EECC, and MIC therefore occupy different conceptual positions rather than representing alternative labels for the same phenomenon. This distinction extends language-capability research toward the market-facing mechanisms through which linguistic resources can contribute to competitive realization.

5.2 Managerial and Economic Implications

The conversion logic has implications for how linguistic capability is developed in MSEs. General English proficiency may expand communicative potential, but ELRCT suggests that economic value depends on whether entrepreneurs can deploy that potential in market-facing activities. Capability development should therefore be organized around commercially situated tasks, including interpreting customer inquiries, communicating product value, producing market-facing digital communication, adapting interaction across cultural contexts, and negotiating transaction conditions. These activities correspond more closely to the communication demands encountered by internationalizing SMEs than decontextualized language proficiency alone (Fraccastoro *et al.*, 2021; Hultman *et al.*, 2023).

This distinction also changes the assessment of entrepreneurial market readiness. Standardized language proficiency and market-interface effectiveness capture different capacities. An entrepreneur may possess substantial linguistic knowledge without being effective at articulating differentiation or advancing a commercial interaction, while more limited linguistic proficiency may still support effective market engagement when communication is strategically adapted to the task. The relevant managerial concern is therefore the extent to which available linguistic resources support market interpretation, value articulation, relationship development, and transactional interaction. Capability development becomes a problem of commercial deployment rather than proficiency accumulation alone.

5.3 Policy and Inclusive Market Development Implications

ELRCT also informs policies intended to strengthen MSE participation in digital and cross-border markets. Digitalization initiatives can reduce technological barriers to market access, but access may remain economically underutilized when enterprises lack complementary market-facing capabilities. Research on SME internationalization indicates that digital resources operate alongside communication, knowledge-sharing, marketing, and networking capabilities in generating international outcomes (Martín Martín *et al.*, 2022; Tolstoy *et al.*, 2022; Hu *et al.*, 2024). Programs centered exclusively on platform adoption or digital presence may therefore address connectivity without addressing the capabilities required to convert connectivity into exchange.

MSE development interventions could integrate commercially situated communication with digital-market and export-readiness programs. The relevant policy objective is not English acquisition as an independent developmental outcome, but the capacity to use linguistic resources within activities through which enterprises engage customers and realize market opportunities. Such integration is particularly pertinent for resource-constrained owner-managed firms, where the entrepreneur frequently performs both managerial and external communication functions. ELRCT consequently positions linguistic capability as one component of a broader market-participation architecture rather than as a stand-alone educational intervention.

5.4 Boundary, Limitations, and Future Research

The explanatory claims of ELRCT remain bounded by its domain. The theory is most applicable to owner-dependent MSEs in which entrepreneurs personally conduct substantial external market interaction and English functions as a commercially relevant interface language. Its explanatory power should diminish where specialized employees perform these functions, where market interaction is linguistically homogeneous, or where English has limited relevance to commercially consequential exchanges. The theory also does not privilege English-only strategies over multilingual alternatives. International small firms may derive different relational and strategic benefits from English and multilingual configurations depending on stakeholder diversity and available linguistic resources (Barner-Rasmussen *et al.*, 2024; Talukder & Barner-Rasmussen, 2024). AI-mediated translation represents an additional boundary because technological mediation may substitute for some linguistic functions while leaving others dependent on entrepreneur-level communicative judgment.

Empirical development should begin by establishing the construct validity of EECC and its discriminant validity relative to general English proficiency, generic communication competence, and LOC. Subsequent research can test the cross-level mechanism by examining whether MIC mediates the relationship between EECC and Opportunity Conversion and whether Opportunity Conversion explains variation in Entrepreneurial Competitiveness. Longitudinal and multilevel designs are particularly appropriate because ELRCT proposes that repeated deployment of entrepreneur-held competence becomes manifested in venture-level capability. Comparative studies across industries, countries, and stages of internationalization could further establish whether Digital Market Embeddedness and Cross-Border Market Exposure condition the proposed relationships as theorized.

Advancing ELRCT requires empirical research that progressively validates its constructs, tests the proposed conversion mechanisms, examines contextual contingencies, and evaluates whether technological change modifies the theorized role of linguistic resources.

Table 4. Future Research Agenda for Developing and Testing ELRCT

Research priority	Key research question	Suggested empirical approach	Theoretical payoff
Construct validation	Can EECC be distinguished from general English proficiency, communication competence, and LOC?	Scale development and validation among owner-managed MSEs	Establishes EECC as a distinct entrepreneurial linguistic resource
Conversion mechanism	Does MIC mediate the relationship between EECC and Opportunity Conversion?	Multilevel or longitudinal modeling in internationally exposed MSEs	Tests cross-level linguistic resource conversion
Economic realization	Does Opportunity Conversion explain how MIC contributes to Entrepreneurial Competitiveness?	Longitudinal survey or process-based research	Validates the transition from market capability to competitive realization
Digital contingency	When does Digital Market Embeddedness strengthen the contribution of EECC to MIC?	Moderated or multi-group analysis of digitally embedded MSEs	Establishes the digital boundary of ELRCT
Cross-border contingency	When does Cross-Border Market Exposure strengthen the contribution of MIC to Opportunity Conversion?	Comparative analysis across heterogeneous international markets	Establishes linguistic and cultural boundary conditions
Technological boundary	Does AI-mediated translation substitute for or complement EECC?	Experimental and longitudinal field research	Tests whether technological mediation modifies ELRCT's explanatory domain

Source: Authors' conceptualization.

Table 4 establishes a cumulative empirical pathway for ELRCT rather than a collection of disconnected research opportunities. Construct validation provides the measurement foundation, followed by tests of cross-level conversion and economic realization. Digital and cross-border contingencies establish theoretical boundaries, while AI-mediated translation examines technological change. Together, these priorities enable progressive evaluation, refinement, and potential extension of the theory across relevant MSE contexts.

The resulting research agenda shifts empirical attention away from estimating a direct relationship between English proficiency and business performance. The more theoretically consequential questions concern whether linguistic resources become embedded in market-facing capabilities, whether those capabilities enable opportunity realization, and under which conditions this conversion contributes to competitive differences among MSEs. In this respect, ELRCT provides a basis for cumulative research connecting language-sensitive international business, entrepreneurship, market capabilities, and MSE competitiveness without reducing linguistic resources to either educational attainment or a direct performance antecedent.

6. Conclusion

Market connectivity creates economic possibilities for micro and small enterprises, but connectivity alone does not determine who can convert those possibilities into competitive outcomes. The unresolved theoretical problem concerns how an entrepreneur-held linguistic resource becomes organizationally consequential and ultimately acquires economic value. Existing research establishes the relevance of language to trade and international business interaction and recognizes the importance of resources, capabilities, and opportunity processes, but provides a fragmented explanation of the conversion linking these domains. Addressing this gap, Entrepreneurial Linguistic Resource Conversion Theory (ELRCT) explains how Entrepreneurial English Communication Competence (EECC) can contribute to Entrepreneurial Competitiveness through a conditional, cross-level process of capability formation and opportunity realization.

The central novelty lies in replacing a direct proficiency–performance logic with a linguistic resource-conversion explanation. EECC represents situated communicative potential rather than competitive capability itself. Its economic significance emerges when repeated deployment in commercially consequential interactions contributes to Market Interface Capability (MIC), enabling the venture to interpret markets, articulate value, engage external actors, and conduct transactional interaction. MIC subsequently facilitates Opportunity Conversion, distinguishing access to or recognition of market possibilities from their commercial realization. Entrepreneurial Competitiveness consequently reflects the capacity to secure, retain, and repeatedly exploit valuable opportunities rather than linguistic proficiency or isolated transactional outcomes. Digital Market Embeddedness and Cross-Border Market Exposure further establish that these conversion processes are conditional rather than universal.

ELRCT extends language-sensitive international business research by specifying how entrepreneur-level linguistic competence can acquire venture-level economic significance; resource and capability perspectives by identifying a context-specific cross-level conversion mechanism; and entrepreneurship research by positioning Opportunity Conversion between market-facing capability and competitive realization. The resulting propositions provide a coherent basis for empirical examination while directing managerial and policy attention away from English proficiency as an isolated developmental objective toward commercially situated communication, market-interface capability, and opportunity realization.

The theory remains deliberately bounded to owner-dependent MSEs where English is commercially relevant and entrepreneurs retain substantial market-facing responsibility. Multilingual configurations, organizational specialization, and AI-mediated translation may alter its explanatory power. Future research should therefore validate EECC, test the proposed multilevel mediation and boundary conditions longitudinally, compare linguistic and market contexts, and examine whether AI-mediated communication complements or substitutes entrepreneur-held competence. The broader implication is consequential: linguistic resources become sources of entrepreneurial competitiveness not through possession, but through the organizational processes that convert communication into market action and market possibilities into economic value.

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